

Message Text

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ACTION SS-25

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S E C R E T SECTION 1 OF 3 MANILA 4589

EXDIS

MILITARY ADDRESSEES SPECAT EXCLUSIVE

E.O. 11652: GDS
TAGS: MARR, RP
SUBJECT: PHILIPPINE BASE DISCUSSIONS: GOP RESPONSE TO US
PROPOSALS

REF: MANILA 4590

SUMMARY: IN ONE-HOUR AND A HALF SESSION, PHILIPPINE PANEL
HEADED BY PRESIDENT MARCOS, PRESENTED RESPONSE TO U.S.
PROPOSALS ON BASE ARRANGEMENTS AND COMPENSATION. AIDE
MEMOIRE, READ BY ROMULO, ASKED THAT U.S. GIVE UP SUBIC
WATERS AND WATERSHED, WALLACE AND JOHN HAY, ELABORATED
GREATER AUTHORITY FOR BASE COMMANDER AND PROMISED PHILIPPINE
COUNTER-PROPOSAL TO "UNSATISFACTORY" U.S. COMPENSATION
OFFER. GOP RAISED CRIMINAL JURISDICTION AGAIN
AND SUBMITTED "WORKING PAPER." AMBASSADOR REITERATED
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STRONG U.S. EFFORT MEET PHILIPPINE DESIRES, BUT
EMPHASIZED "REALITIES" WITHIN WHICH U.S. MUST WORK.
REMAINING PART OF MEETING CONFINED TO CLARIFYING POINTS IN
AIDE MEMOIRE. MARCOS DOES NOT ANTICIPATE FURTHER SUB-
STANTIVE ACTION UNTIL AFTER ELECTION. IMPRESSION OF
U.S. SIDE WAS THAT MARCOS GAVE
OPPORTUNITY TO ROMULO AND ENRILE TO EXPRESS

THEIR GENERAL DISSATISFACTION WITH U.S. PROPOSALS, BUT REMAINED SOMEWHAT ALOOF FROM THEM. AMBASSADOR IS SEEKING APPOINTMENT TO EXPLORE PRIVATELY WITH MARCOS HIS OWN VIEWS REGARDING ISSUES AND FURTHER ACTIONS. IN AMBASSADOR'S VIEW, ADDRESSEES SHOULD VIEW AIDE MEMOIRE AS PART OF NEGOTIATION PROCESS RATHER THAN FINAL GOP POSITION. END SUMMARY.

2. PRESIDENT MARCOS, FLANKED BY ROMULO, ENRILE, ABAD-SANTOS, MENDOZA ESPINO, AND KEY MILITARY ADVISORS AND LATER JOINED BY SENATOR PELAEZ, FORMALLY PRESENTED THE GOP'S REPLY TO U.S. PROPOSALS ON AMENDING THE MILITARY BASES AGREEMENT AND ON COMPENSATION MARCH 21. HE SPOKE LITTLE DURING THE ONE-AND-A-HALF HOUR MEETING CONDUCTED IN A STYLE MORE REMINISCENT OF PLENARY SESSIONS OF THE 1976 PANEL NEGOTIATIONS THAN THE LESS FORMAL DISCUSSIONS IN HIS OFFICE OVER THE LAST SIX MONTHS. ROMULO READ AN AIDE MEMOIRE (SEPTTEL) RESPONDING TO U.S. PROPOSALS WHICH WAS OBVIOUSLY THE RESULT OF HURRIED SESSIONS BETWEEN MARCOS AND HIS MINISTERS CONTINUING EVEN WHILE THE U.S. DELEGATION WAS WAITING TO MEET WITH THEM. ENRILE TOOK THE LEAD IN RESPONDING TO THE AMBASSADOR'S QUESTIONS FREQUENTLY INTERJECTING THAT THEY WERE "HIS PERSONAL THOUGHTS."

3. MARCOS ASKED MORE AS A MODERATOR OF THE DISCUSSION
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THAN A PARTICIPANT IN IT. HE DID SPEAK TO THE FOLLOWING:

A) PRESS GUIDANCE - MARCOS OBSERVED THAT THE US PRESS WAS AWARE OF THIS MEETING, WONDERED ALOUD HOW THEY KNEW, AND EXPRESSED CONCERN THAT PRESS CHARACTERIZED THE NEGOTIATIONS AS BEING AT A "STALEMATE." MARCOS NOTED THAT THERE WAS EVEN IMPLICATION THAT THIS WAS SOMEHOW RELATED TO THE RECENT CHARGES OF FOREIGN INVOLVEMENT IN THE ELECTIONS. DENYING THAT LENGTHY DISCUSSION MEANT STALEMATE HE NOTED NEED TO AGREE ON WHAT TO SAY TO PRESS. AMBASSADOR PROPOSED SIMPLE STATEMENT AND MARCOS AGREED ONLY ADDING RECENT CHRONOLOGY OF MEETINGS TO DEMONSTRATE CONTINUING PROGRESS. (SEPTTEL).

B) CRIMINAL JURISDICTION - MARCOS NOTED, SEEMINGLY IN ADMONISHMENT TO PHIL PANEL, THAT AIDE MEMOIRE TREATED CRIMINAL JURISDICTION ALMOST AS AN

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EXDIS

MILITARY ADDRESSEES SPECAT EXCLUSIVE

AFTERTHOUGHT AND URGED MENDOZA TO GIVE US
WRITTEN POSITION WHICH MARCOS CHARACTERIZED
AS "WORKING PAPER" (SEPTTEL). AMBASSADOR
NOTED THAT IT HAD BEEN US IMPRESSION THAT
THIS SUBJECT HAD BEEN SET ASIDE. HE POINTED
OUT THAT THE ARRANGEMENTS FOR ASSERTION OF
OFFICIAL DUTY IN THE PHILIPPINES WERE CONSON-
ANT WITH THOSE IN OTHER COUNTRIES AND THAT
ALTHOUGH WE COULD MODIFY SOME OF THE PRO-
CEDURAL ASPECTS OF THOSE AARRANGEMENTS TO
PROVIDE FOR GREATER RP PARTICIPATION WE COULD
NOT DEVIATE FROM THE FUNDAMENTAL PRINCIPLE
THAT DETERMINATIIONS OF OFFICIAL DUTY ARE MADE
BY THE US.

C. COMPENSATION - IN RESPONSE TO AMBASSADOR'S
QUESTION WHETHER PROBLEM ON COMPENSATION
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PACKAGE RELATED TO AMOUNT OR ANNUAL APPROPRI-

ATION, MARCOS SUPPORTED ENRILE IN OBJECTING BOTH TO SIZE OF COMPENSATION PACKAGE AND LACK OF MULTI-YEAR COMMITMENT. HE SAID THAT GOP EXPECTED OFFER TO BE LESS THAN 1976 OFFER "BUT NOT THIS MUCH LESS". HE NOTED THAT LACK OF MULTI-YEAR COMMITMENT IN AGREEMENT ITSELF MEANT THAT AGREEMENT WOULD REMAIN IN EFFECT EVEN IF CONGRESS REFUSED TO APPROPRIATE ANY FUNDS AS COMPENSATION. HE CALLED THIS POLITICAL SUICIDE SINCE HE MUST FACE "IRRESPONSIBLE POLITICAL OPPOSITION" EVEN AFTER ELECTION. WHEN ROMULO SUGGESTED, HOWEVER, THAT POLITICAL AGITATORS WERE RESPONDING TO US PRODDING, MARCOS SAID HE DID NOT AGREE. IN RESPONSE TO ENRILE'S AND MARCOS' POINT THAT COMPENSATION WAS LOWER THAN WHAT WAS OFFERED IN 1976. AMBASSADOR STRESSED THAT MATTER WAS APPROACHED DIFFERENTLY. THIS TIME WE HAD CLEAR INDICATION OF CONGRESSIONAL ACCEPTANCE WHICH ADMINISTRATION DID NOT HAVE IN 1976. ECONOMIC AID WAS NOT INCLUDED IN PRESENT PACKAGE, BUT LIKELIHOOD OF SUCH AID IN AMOUNTS SIMILAR AND POSSIBLY GREATER THAN IN 1976 PROPOSAL HAD BEEN CONVEYED TO GOP. IF THISIYERE ADDED TO OUR TOTAL THEN THE AMOUNT EQUALLED 1976 OFFER (ENRILE MENTIONED \$900 MILLION). ENRILE SEEMED FIND DIFFICULTY WITH CONCEPT OF SSA. AMBASSADOR EXPLAINED THIS FUNGIBLE GRANT AID MORE ACCEPTABLE TO CONGRESS THAN MAP. ENRILE SEEMED TO BELIEVE ONLY SSA SUBJECT TO "BEST FAITH" LETTER; AMBASSADOR CLARIFIED POINT THAT ALL ASPECTS SUBJECT TO ANNUAL CONGRESSIONAL
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APPROPRIATION. TO ROMULO'S POINT THAT THEY WANTED AGREEMENT LIKE SPANISH AND TURKISH AGREEMENT, AMBASSADOR POINTED OUT SPANISH AGREEMENT IS SUBJECT TO ANNUAL APPROPRIATION AND THAT AMOUNT NOT GREATLY DIFFERENT FROM WHAT US PROPOSED DOING FOR PHILIPPINES. TURKISH AGREEMENT NOT RELEVANT SINCE IT HAS NOT GOTTEN CONGRESSIONAL APPROVAL. ENRILE REITERATED HIS DISLIKE FOR ONE-YEAR APPROPRIATION AND SAID MAYBE IT BETTER TO HAVE NO AGREEMENT AND "LET BASES CONTINUE GRATIS." WHEN MARCOS SAID GOP WOULD BE AGREEING TO FIVE YEAR USE OF BASES WHILE US MIGHT NOT COME THROUGH WITH ITS ANNUAL APPROPRIATION, AMBASSADOR POINTED OUT LETTER FROM SECRETARY OF STATE WOULD BE FULL FAITH EXPRESSION ON

PART OF US AND, IF US COULD NOT FULFILL ITS
FULL FAITH EFFORT, NATURALLY THIS WOULD BECOME
MATTER OF DISCUSSION BETWEEN TWO GOVERNMENTS.

D. NEXT STEPS - MARCOS PROMISED COMPREHENSIVE
COUNTER-PROPOSAL ON COMPENSATION AFTER APRIL
7 ELECTION; SUGGESTED BOTH SIDES PROVIDE
ESTIMATES AFTER APRIL 7 OF REQUIREMENTS FOR
PHIL PROVISION ON BASE SECURITY AND US PAY-
MENTS; AGREED THAT VISIT BY WASHINGTON TEAM

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MILITARY ADDRESSEES SPECAT EXCLUSIVE

PRIOR TO MONDAL VISIT COULD BE USEFUL IF
THE GOVERNMENTS ARE SUFFICIENTLY CLOSE TO AN
AGREEMENT.

3. ASIDE FROM INTRODUCING ROMULO'S PRESENTATION OF AIDE
MEMOIRE, AND EXCEPT AS OTHERWISE NOTED, MARCOS MADE NO
ATTEMPT TO ASSOCIATE HIMSELF WITH IT OR DEFENT ITS
POSITIONS WHICH WERE AMPLIFIED IN THE DISCUSSIONS WITH
THE CABINET MINISTERS AS FOLLOWS:

A. GENERAL OBSERVATIONS - MARCOS CLARIFIED

POINT 3 OF THE AIDE MEMOIRE CONCERNING
"WIDER ADJUSTMENTS, RATHER THAN MAKE AMEND-
MENTS" AS MEANING MORE AMENDMENTS THAT THE
US PROPOSED, NOT A WHOLE NEW AGREEMENT.

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B. NASE AREAS

1) CLARK - ENRILE CONFIRMED AIDE MEMOIRE
AND ACCEPTED US POSITION ON CROW VALLEY.
HOWEVER, HE SAID THERE WOULD BE A NEED FOR
A SEPARATE AGREEMENT ON TERMS AND CONDITIONS
OF US MAINTENANCE AND OPERATION OF CROW
VALLEY.

2) SUBIC - NO PORTION OF SUBIC BAY WATERS
SHALL BE INCLUDED AS PART OF US FACILITY.
ENRILE SAID US AND PHILIPPINE COMMANDERS COULD
WORK OUT ARRANGEMENTS FOR MEETING US REQUIRE-
MENTS BUT AMBASSADOR NOTED THIS IS GOVERNMENT
TO GOVERNMENT LEVEL ISSUE, IMPORTANT TO
OVERALL AGREEMENT. HE STRESSED NEED FOR US
CONTROL OVER ADJACENT WATERS, INCLUDING
MINE TRAINING AREA.

3) JOHN HAY - ENRILE CLARIFIED AMBIGUOUS
LANGUAGE REGARDING RELINQUISHMENT OF PORTIONS
OF JOHN HAY BY STATING THAT GOP WANTED ENTIRE
BASE RELINQUISHED BUT COULD WORK OUT ARRANGE-
MENTS SUCH AS LEASE BACK. MARCOS MADE
GENERAL OBSERVATION THAT GOP WANTED ITS
OWNERSHIP OF BASES RECOGNIZED BUT ACTUAL USE
"IS SOMETHING ELSE." AMBASSADOR STRESSED
THAT USE OF APPROPRIATED FUNDS MADE ALTER-
NATIVE ARRANGEMENTS DIFFICULT.

C. OTHER OBSERVATIONS - IN PRESSING FOR US
PROPOSALS ON SHARING OF COST FOR GOP PROTEC-
TION OF BASE, ENRILE FOCUSED DISCUSSION ON
HIS CONCEPT OF GOP PRESERVING CHARACTER OF

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MILITARY BASE SUBJECT TO LATER ORDERLY
ECONOMIC DEVELOPMENT CONSISTENT WITH UNHAMPERED
US USE OF FACILITIES.

4. FOLLOWING ROMULO'S READING OF THE AIDE MEMOIRE, THE AMBASSADOR REPLIED THAT WE HAVE BEEN ENGAGED IN A PROCESS TO RESPOND TO THE GOP DESIRE TO MANIFEST PHILIPPINE SOVEREIGNTY AT THE BASES AND TO PUT THE US-PHILIPPINE RELATMNSHIP ON AN IMPROVED BASIS FOR THE DURATION OF THE BASES AGREEMENT. THE AMBASSADOR ACKNOWLEDGED THAT BOTH GOVERNMENTS FACE CERTAIN REALITIES. ON THE PHILIPPINE SIDE, WE RECOGNIZE THE EXPRESSED NEED FOR GREATER PHILIPPINE SOVEREIGNTY AND FOR HELP IN DEVELOPING PHILIPPINE DEFENSIVE CAPABILITIES. FOR THE US WE HAVE CERTAIN LIMITATIONS ON THE LEGISLATIVE AND ON THE EXECUTIVE SIDE. WE HAVE SOUGHT TO SHARE FRANKLY WITH THE GOP IN PAST MONTHS THE REALITIES OF THESE LIMITATIONS. WE HAVE SOUGHT IN OUR PRESENTATIONS TO PROVIDE THE BEST POSSIBLE RESPONSES TO GOP NEEDS IN THE LIGHT OF THESE REALITIES. THE AMBASSADOR OBSERVED THAT THE GOP AIDE MEMOIRE RAISES A NUMBER OF QUESTIONS WHICH WILL REQUIRE CLARIFICATION. THE AMBASSADOR INDICATED THAT WE WOULD STUDY THE AIDE MEMOIRE, SEEK TO CLARIFY CERTAIN DETAILS AND TO DETERMINE HOW NEXT TO PROCEED. THE AMBASSADOR ASKED WHETHER THE AIDE MEMOIRE COULD BE VIEWED AS A RESPONSE, NOT A REJECTION. MARCOS SAID "YES" WE'RE ASKING FOR TIME TO MAKE A COUNTER PROPOSAL."

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